

The Nepenthe News



MERIT PROPERTY MANAGEMENT

Clubhouse and Cabanas Renovation

For several years, the Association has been planning to renovate the Clubhouse and the Cabanas, with funding available within the reserve funds. The manager and Ad Hoc Committee have been working closely with the architect to design the floor plan options for the Clubhouse and Cabanas. There are three proposed design options for the renovations. Below is a summary of what is included in each option and the estimated costs.

Option 1 is the bare minimum of what needs to be renovated in order to get the Clubhouse and Cabanas ADA compliant and to repair the plumbing leaks at the pools and spas. Other updates included in Option 1 are all new kitchen appliances, better lighting, new furniture, new paint and flooring, quieter HVAC system, fire alarm and security system, removal of the wood trellis at the main pool, easy maintenance of finishes, and raising the pool fences to meet code requirements. All the restrooms, pool decks, doors, and hallways will be updated to meet ADA compliance. The estimated cost for Option 1 is \$729,216.

In Option 2, all the components in Option 1 are included plus additional upgrades. Option 2 includes expanding the kitchen and making it more user-friendly. This will provide for more counter space for catered events and will allow for more homeowners to use the kitchen without feeling over-crowded. The fitness center would also be expanded in this option. The dry sauna in the Clubhouse is proposed to be eliminated to allow for the larger, more usable fitness center. Also included in Option 2 are more shaded areas at the pools, better screening of pool equipment, canvas sails to replace the wood trellis at the main pool, a permanent projector system, more storage, and better acoustics. The estimated cost for Option 2 is \$984,545 which is still under budget.

In the final proposed option, Option 3, all the components in Option 1 and 2 are included plus replacing all pool decks with new concrete, glazing, and possible upgrades on finishes. The estimated cost for Option 3 is \$1,482,675.

The Ad Hoc Committee and Manager shared the proposed plans with the homeowners at the Homeowner Open Forum on January 16th. The Ad Hoc Committee received many positive comments and helpful suggestions from the homeowners, some of which included adding automatic doors for handicapped residents and guests, and adding more windows in the fitness center to capture more natural lighting. The Ad Hoc Committee is looking into including some of the suggestions from the homeowners into the plans.

The Board of Directors will be discussing the three proposed floor plans at the next scheduled meeting on February 27th at 5:00 pm in the Clubhouse. All homeowners are encouraged to attend.

If you have any questions or comments regarding the Clubhouse and Cabanas renovations, please contact the office at 916-929-8380.

February 2013

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Next Meeting

The next Board of Directors Meeting will be held:

**February 27, 2013
5:00 PM**

Homeowner comments and suggestions are welcome!

Staffing Changes

Beginning February 1st, the General Manager, Sarah McCalla, will be on maternity leave to bond with her new baby girl. She will return to Nepenthe on May 1st.

In her absence, the Associate Community Manager, Sara Beth Jue, will be acting as Manager. Chardae Jones, the Administrative Assistant, will be working Monday through Friday to assist homeowners with their questions and requests. There will be a temporary employee working the weekend shift and on Mondays.

The Clubhouse hours will remain the same, so feel free to visit Monday through Friday 9:00 am to 6:00 pm and on the weekends from 9:00 am to 1:00 pm. We look forward to assisting you!

Merit Connect Website

Many homeowners are still not aware of how to access the merit connect website. The website has a great deal of information on it for all homeowners. In order to access the website, you will first need to visit the registration page at <http://www.meritconnect.com/register> and enter your unique registration code. If you do not have your registration code, please contact the office and we will provide you with it.

After entering the registration code, enter your email address and create your own 4-digit PIN. After you have entered your email and PIN on the registration page, you will be automatically linked to the login page on the community website where you will be asked to enter your email and PIN again. Once you have done so, you will be logged on to the website. If you require any assistance with setting up your login, please contact the office at 916-929-8380 and we would be more than happy to walk you through it. You may even come into the office for training on the website.

Dog Waste: Proper Disposal

Several years ago, the Dog Walkers Group purchased and donated a dog waste station to Nepenthe residents. The goal was to keep Nepenthe as a clean community. Many dog owners use the waste station. Unfortunately, some dog owners are not disposing properly of their dog waste.

There have been reports that some dog owners are not cleaning up after their dogs and leaving dog waste in plant beds and in the grass. Leaving the waste on the ground is hazardous, as it may carry E. coli, salmonella, or giardia, and the rain can wash it into rivers, streams, and oceans. At times the dog waste station is overfilled with bags which is very unsanitary. Please pick up after your pet. If the dog waste station is full, please take home your bag and throw it in your own trash can.

Let's work together in keeping Nepenthe a clean and pet friendly environment.

2012 Goals & Annual Report

In 2012, the Board worked hard to try to accomplish the twenty two (22) approved goals for the year. Included in this newsletter, is a summary of the status of the goals. Also, management has provided the membership with an annual report which can be found after page 4 of the newsletter.

The year-end review goes into detail of the Board approved projects with costs that were completed in 2012. Some of those projects include, globe light repair, tree pruning and maintenance, and the asphalt seal coat project. The report is a great reminder of all the major projects that were accomplished during 2012.

If you have any questions in regards to the reports, please contact the office at 916-929-8380.



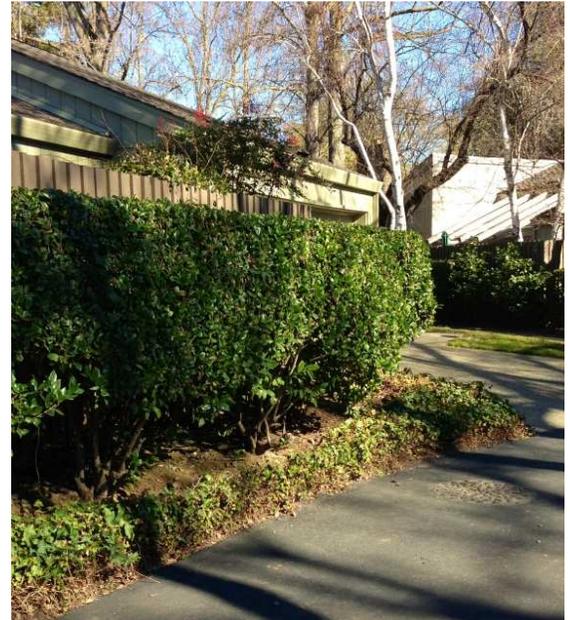
Landscape Maintenance

Throughout the community, the landscape maintenance vendor, GP Landscape, will be cutting and trimming back the ivy from underneath shrubs, and away from structures. The cutting back of ivy from the shrubs will create a clear definition between the two and will help keep the ivy more contained.

The clean up of the ivy is a regular maintenance item that needs to be performed on a monthly basis. The ivy will grow back in the spring more vibrantly than before. A lot of the ivy has been cleaned up in Dunbarton Circle, so if you have a chance, take a walk on Dunbarton and see the improvement that has been made just by GP Landscape controlling the ivy growth.

If the ivy in your area has not been trimmed yet, please note that GP Landscape will be making their way over there. You can contact the office for updates or questions.

This is just one example as to how the new landscape vendor is working hard to improve the landscaping here at Nepenthe.



Briefly....

- The Homeowner Orientation that was hosted by the Outreach Committee on January 19th was considered a success. Twenty one residents attended the event and learned a great deal. One new resident commented; "This meeting was very helpful to us. We appreciate the time and effort that went into planning it and look forward to a constructive relationship with the community. Thank you. Please continue these meetings." For more details on the Homeowner Orientation, please contact the office.
- 2012 expenses were lower than projected while income was higher than projected.
- Forty three (43) of the forty seven (47) approved trees for removal have been completed. The remaining three (3) will be removed in the beginning of February.
- At the January 23rd board meeting, the board approved a \$11,000 contract with GP Landscape to replant areas where trees are being removed. Remediation will begin in February.
- Gutter and roof cleaning continue throughout the month of February. The notice for your scheduled cleaning will be delivered by the Randy Ross Cleaning Team.
- The board authorized the Architectural Review Committee to approve emergency applications for homeowner improvements under certain conditions.
- Lamppost repairs have been completed. Rexmoore repaired thirty (30) lampposts that were broken or damaged.

Approved Architectural Applications

At the January 23, 2013, Board of Directors Meeting, the following architectural applications were conditionally approved:

600 Elmhurst – Air Conditioner Replacement
2245 Swarthmore – Window Replacement
1623 University – HVAC Replacement

If you wish to make any exterior changes to your unit that are visible to the community or interior changes that impact the roof, you must submit an architectural application for review and approval by the Architectural Committee and Board of Directors prior to commencing any work to your unit. Applications are to be turned into the Nepenthe office by the Wednesday prior to the Architectural Committee Meeting. The Architectural Committee meets on the 1st Saturday of each month at 9:30 a.m. in the Clubhouse.

Nepenthe's Year To Date Cash Flow

December 2012 Budget Report

Sources / Uses	Operations	General Reserves	Private Streets
Beginning Balance 1/1/2012	136, 626	2,047,918	207,242
Plus Income	2,943,149		
Reserve Investment In- come		33,219	72
Contributions to Reserve		1,657,848	17,040
Audit Adjustment Re- serve Interest Recogni- tion		198	
Payback Reserves	2,217	(2,217)	
Less Operating Expenses	(1,074,434)		
Reserve Funding	(1,674,888)		
Reserve Expenses		(556,612)	
Ending Balance 12/31/12	354,215	3,158,799	224,354

Actual year to date income of \$2,943,149 versus year to date budgeted income of \$2,911,668 produced a positive year to date income variance of \$31,481.

Actual year to date operating expenses of \$1,074,434 versus year to date budgeted expenses of 1,236,780 produced a positive year to date operating expenses variance of \$162,346.

The two combined variances produced a positive year to date variance of \$193,828.

Other Information

Unpaid Assessments Over 90 days past due at December 31, 2012 were: \$41,002

Prepaid Assessments at December 31, 2012 were: \$101,552

Year-End Report On Nepenthe's Goals For 2012

- 1. End the year with a balance of at least \$12,300 in the Operating Fund.**
 - The balance on Dec. 31 was \$354,000, although it will be adjusted downward for accounts payable and for prepaid assessments.
- 2. End the year with a balance of at least \$2.1 million in the General Reserve Fund.**
 - The balance on Dec. 31 was \$3.2 million.
- 3. End the fiscal year with a balance of at least \$79,969 in the Private Streets Reserve Fund.**
 - The balance on Dec. 31 was \$224,000.
- 4. Reduce the number of delinquencies and the total balance owed to \$51,111.**
 - The total balance owed on Dec. 31 was \$41,000.
- 5. Update the General Reserve Study and the Private Streets Reserve Study.**
 - The update was completed by BRG consultants and approved by the board in September.
- 6. Seal Elmhurst Circle, Dunbarton Circle and all alleys that were not sealed in 2010 or 2011.**
 - The work was completed in early July.
- 7. Complete the automation of the irrigation system.**
 - The project was interrupted by a change in landscape contractors. Work has resumed and should be completed this year.
- 8. Develop a plan to rehab the clubhouse and cabanas in 2013.**
 - The plan is still under development. Rehab of the clubhouse and cabanas is scheduled for this year.
- 9. Begin inspecting roofs.**
 - Roofs were inspected on buildings north of Swarthmore and east of Commons Drive. Minor problems were found and are being addressed.
- 10. Decide whether to create an enclosed off-leash dog area.**
 - The board decided not to create a dog park because of concerns about liability and other issues.
- 11. Develop written Standards and Practices for Finances.**
 - The board adopted several new practices recommended by the Finance Committee but a comprehensive statement of procedures has yet to be drafted.
- 12. Develop written Standards and Practices for Insurance.**
 - Little progress was made on this goal, but the board hopes to adopt new policies this year.
- 13. Develop a risk-management plan, including an inspection checklist.**
 - The board approved an outline for a plan, but the final document has yet to be drafted.
- 14. Create and maintain an inventory of equipment.**
 - Management created and is maintaining an inventory of operating equipment.

15. Create and maintain a Book of Resolutions in which all board resolutions on policies and expenditures are filed chronologically and cross-indexed by subject.

The book was created and is current, beginning with the board meetings of Jan. 25, 2012.

16. Review and update architectural criteria, including those for roof penetrations, attic fans and whole-house fans.

Little progress was made toward this goal, but the board hopes to achieve it in 2013.

17. Obtain telephone numbers and e-mail addresses of all homeowners.

The Association now has telephone numbers and e-mail addresses for virtually all homeowners, but only mailing addresses for some. The Association cannot require that owners provide telephone numbers or e-mail addresses, although that information can be critical in emergencies. It is up to each homeowner to provide the information.

18. Renegotiate the management contract

The board negotiated a new contract with Merit Property Management.

19. Put the security contract out to bid.

The board called for bids and awarded the contract to a new vendor, Stonegate Security.

20. Recruit at least two candidates to run for each open Board seat.

This goal was met, although one of the candidates dropped out prior to the election.

21. Achieve at least 50% homeowner participation in the Board elections.

Voter turnout for the May board election was 44%.

22. Have a 40th birthday party for Nepenthe.

The party was held at the clubhouse in September and was sold out.

Year-End Report on Projects Completed in 2012:

1. **Globe Light Repair Project**: To repair broken or damaged globe lights throughout the community. The project completed entire light repairs to include new wiring, concrete bases, light poles and globes. Thirty Globe Lights were repaired during this project.

The management office sent out a request for proposal (RFP) to three electricians, and the board awarded the contract to Rexmoore.

Budget \$25,600 Actual \$26,208

*\$608 negative budget variance due to wiring trouble shooting needed on Elmhurst Circle to repair an entire area of lights that were out due to broken underground wiring.

2. **Concrete Repair Project**: Project to complete all concrete repairs to Common Area walkways throughout the community, to include replacing all wood spacers with concrete, to eliminate trip hazards.

The management office sent out a request for proposal (RFP) to three contractors, and the board awarded the contract to Da Re Concrete.

Budget \$92,420 Actual \$98,928

*\$6,508 negative budget variance due to change orders. Upon inspection by Roger Work, more concrete walkway trip hazards were identified over and above the contracted amounts.

3. **Tree Pruning & Removal Project**: Project to complete annual tree maintenance clearance and structural pruning's and tree removals for dead, diseased or hazardous trees.

The management office sent out a request for proposal (RFP) to three tree care vendors, and the board awarded the contract to Valley Crest Tree Care Services.

Budget \$89,726 Actual \$58,155

*Positive budget variance as tree removal payments have not been made. Management is expecting to remain completely on budget for the remainder of this project.

4. **Landscape Remediation following Tree Removals**: Landscape renovations throughout the community following tree removals.

Budget \$11,831.06 Actual \$0

*Positive budget variance due to postponement of tree removal project. All landscape remediation will begin in February.

ANNUAL REPORT

2012

5. **Roof, Gutter, Light Globe and Tennis Court Cleaning**: Yearly maintenance cleaning to all units roofs, gutters, Common Area light posts and all Association Tennis Courts.

Budget \$54,494.25 Actual \$25,991.68

*Positive budget variance as roof and gutter cleaning project has not been paid completely. Management is expecting to remain completely on budget for the remainder of the project.

6. **Asphalt Seal Coat Project**: To complete the Asphalt replacement project, this is the final step to seal the new asphalt on all alleyways and private streets throughout the community. This was a goal for 2012.

Budget \$55,730 Actual \$55,730

Contracts out to Bid:

1. **Landscaping Contract**: The board directed management to place the landscaping contract out to bid. The request for proposal was sent out to several different landscaping vendors. After careful consideration, the board approved the contract with GP Landscape due to their reputation and experience.

Contract Price \$25,305 per month

2. **Security Contract**: The board directed management to place the security patrol contract out to bid. This was a goal for 2012. The request for proposal was sent out to four security patrol vendors. After careful consideration, the board approved the contract with Stonegate Protection due to their expertise in the field.

Contract Price \$4,000 per month

Nepenthe Association

Monday—Friday: 9:00a.m. – 6:00p.m.
Saturday—Sunday (Winter): 9:00a.m—1:00p.m.

Nepenthe Management Office: 916-929-8380 nepenthe@meritpm.com

Community Manager:	Sarah McCalla	smccalla@meritpm.com
Facility Administrator:	Roger Work	nepenthe@meritpm.com
Associate Community Manager:	Sara Beth Jue	sjue@meritpm.com
Administrative Assistant :	Chardae Jones	cjones@meritpm.com

MERIT Emergency Hotline: 888-596-4984 — Toll free 24 hours

MERIT Customer Care Center: 800-428-5588

PayLease (Auto Pay) 866-729-5327 -or- support@paylease.com

Stonegate Protection- Patrol Service: 888-774-0035 -or- security@stonegateprotection.com

Electrical Outages: 888-456-SMUD

Nepenthe Insurance: Farmers Insurance Group
Ryan DeShong 916-636-0115

Board Members:

(The Board meets at 5:00 p.m. on the 4th Wednesday of the month in the Clubhouse)

Otis Turner, President
otisturner@hotmail.com / 916-927-3575

Richard Coombs, Vice President
rec1146@aol.com / 916-568-6100

Marcia Britton-Gray, Secretary
mcbmd@comcast.net / 916-929-3858

William Vizzard, Treasurer
vizzardw@gmail.com / 916-923-9308

Bo Grebitus, Director-at-Large
bogrebitus@gmail.com / 916-923-0733

Committee Chairs:

Architectural Review – Ken Luttrell
Meets 9:30 a.m. on the 1st Saturday of the month in the Clubhouse

Elections – Yvonne Del Biaggio

Finance – Greg Crissman
Meets 6:30 p.m. on the 3rd Monday of the month in the Clubhouse

Grounds – Ivan Gennis
Meets 4:00 p.m. on the 2nd Thursday of the month in the Clubhouse

Insurance – Bill Newbill

Nominating/Outreach – Nicki Shearer
Meets 6:00 p.m. on the 1st Thursday of the month in the Clubhouse